

AMENDED IN SENATE MARCH 21, 2017

**SENATE BILL**

**No. 338**

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**Introduced by Senator Skinner**  
(Principal coauthor: Assembly Member Mullin)

February 14, 2017

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*An act to add Sections 400.1 and 913.13 to the Public Utilities Code, relating to energy.*

LEGISLATIVE COUNSEL'S DIGEST

SB 338, as amended, Skinner. ~~Clean Peak Reliability Requirement.~~  
*Net-load peak energy.*

*Existing law requires the Public Utilities Commission (PUC) and the State Energy Resources Conservation and Development Commission (Energy Commission) to take specified actions in furtherance of meeting the state's clean energy and pollution reduction objectives, including, among others, taking into account in proceedings associated with meeting the objectives the opportunities to decrease costs and increase benefits using renewable and nonrenewable technologies with zero or lowest feasible emissions of greenhouse gases, criteria pollutants, and toxic air contaminants onsite.*

*This bill, on or before January 1, 2020, would require the PUC and the Energy Commission, in consultation with the Independent System Operator, to establish policies or procedures to ensure that electrical service providers meet net-load peak, as defined, energy and reliability needs while minimizing the use of fossil fuels and utilizing low-carbon technologies and electrical grid management strategies, as specified. The bill would require the PUC, no later than January 1, 2022, and every 4 years thereafter, to make a specified report to the Legislature.*

*Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the PUC is a crime.*

*Because the provisions of this bill would be a part of the act and because a violation of an order or decision of the PUC implementing its requirements would be a crime, the bill would impose a state-mandated local program by creating a new crime.*

*The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.*

*This bill would provide that no reimbursement is required by this act for a specified reason.*

~~The California Renewables Portfolio Standard Program requires the Public Utilities Commission to establish a renewables portfolio standard requiring all retail sellers, as defined, to procure a minimum quantity of electricity products from eligible renewable energy resources, as defined, so that the total kilowatthours of those products sold to their retail end-use customers achieves 25% of retail sales by December 31, 2016, 33% by December 31, 2020, 40% by December 31, 2024, 45% by December 31, 2027, and 50% by December 31, 2030.~~

~~This bill would state the intent of the Legislature to enact legislation that would establish a Clean Peak Reliability Requirement to ensure the state's adoption of renewable energy generation results in an overall reduction of emissions of greenhouse gases from the electrical grid.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.  
State-mandated local program: ~~no~~-yes.

*The people of the State of California do enact as follows:*

- 1     SECTION 1. *The Legislature finds and declares that the intent*
- 2     *of establishing a low-cost, low-carbon reliability requirement is*
- 3     *to ensure that the state meets its energy goals while reducing the*
- 4     *need for new electricity generation and unnecessary new*
- 5     *transmission, thus achieving the state's goals at the least cost to*
- 6     *ratepayers.*
- 7     SEC. 2. *Section 400.1 is added to the Public Utilities Code, to*
- 8     *read:*
- 9     400.1. (a) *"Net-load peak" is the daily period of three or more*
- 10    *consecutive hours in which the latest of the three hours is the hour*

1 of peak demand for electricity, excluding demand met by generation  
2 on the customer side of the meter.

3 (b) On or before January 1, 2020, the commission and the  
4 Energy Commission, in consultation with the Independent System  
5 Operator, shall establish policies or procedures to ensure that  
6 electrical service providers meet net-load peak energy and  
7 reliability needs while minimizing the use of fossil fuels and  
8 utilizing low-carbon technologies and electrical grid management  
9 strategies.

10 (c) In furtherance of subdivision (a), the commission and the  
11 Energy Commission may consider establishing new targets or  
12 requirements for energy technology that minimizes the percent of  
13 load met by fossil fuels during net-load peak energy demand and  
14 maximizes the use of low-carbon technologies to meet energy and  
15 capacity needs, including, but not limited to, any of the following:

16 (1) Energy storage.

17 (2) Demand response or demand management technology.

18 (3) Energy efficiency.

19 SEC. 3. Section 913.13 is added to the Public Utilities Code,  
20 to read:

21 913.13. No later than January 1, 2022, and every four years  
22 thereafter, the commission shall report to the Legislature on all  
23 of the following:

24 (a) The percent of overall energy needs met through the use of  
25 fossil-fueled electrical generation during net-load peak demand,  
26 as defined in Section 400.1.

27 (b) The commission's efforts to reduce the percentage of energy  
28 needs met through the use of fossil-fueled electrical generation.

29 SEC. 4. No reimbursement is required by this act pursuant to  
30 Section 6 of Article XIII B of the California Constitution because  
31 the only costs that may be incurred by a local agency or school  
32 district will be incurred because this act creates a new crime or  
33 infraction, eliminates a crime or infraction, or changes the penalty  
34 for a crime or infraction, within the meaning of Section 17556 of  
35 the Government Code, or changes the definition of a crime within  
36 the meaning of Section 6 of Article XIII B of the California  
37 Constitution.

38 ~~SECTION 1. It is the intent of the Legislature to enact~~  
39 ~~legislation that would establish a Clean Peak Reliability~~  
40 ~~Requirement to ensure the state's adoption of renewable energy~~

- 1 ~~generation results in an overall reduction of emissions of~~
- 2 ~~greenhouse gases from the electrical grid.~~